



February 5, 2016

Gerard S. Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

RE: Comments on [Notice of Proposed Rulemaking Regarding Associational Common Bond – Chartering and Field of Membership Manual](#)

Dear Mr. Poliquin:

We are writing on behalf of the Pennsylvania Bankers Association and the Pennsylvania Association of Community Bankers which together represent tax-paying depository institutions and their affiliates of all sizes operating in the Commonwealth of Pennsylvania. Each of our member institutions works tirelessly to serve the needs of their communities – both rural and urban – despite the unfair competition presented by large, growing, un-taxed credit unions.

Our members are deeply concerned that the NCUA's proposed revisions to its Chartering and Field of Membership Manual would drastically increase credit unions' "communities" and "common bonds" resulting in diminished ability of tax-paying banks to serve their communities.

Congress intended tax-subsidized credit unions to remain truly local and small in order to fulfill their mission of providing financial services to specific groups that otherwise lack access to those services. Congress did not intend for the agency charged with carrying out its statutory intent to instead propose a sweeping rewrite of its rules and eviscerate the limits on credit unions' fields of membership which support their tax exemption. Even if the statute permitted such liberalization, which it does not, any expansion of the credit union industry's tax subsidy is completely unjustified at a time such as now when federal, state and local governments are struggling to meet their budgetary needs.

Our members welcome fair competition, but we must object to this proposal which far exceeds the statute and would significantly expand the tax subsidy of a growing credit union industry which we believe has already abandoned any distinctions that justified their tax exemption.

Sincerely,

A handwritten signature in black ink that reads "Duncan Campbell".

Duncan Campbell
President & CEO
Pennsylvania Bankers Association

A handwritten signature in black ink that reads "Nick DiFrancesco".

Nick DiFrancesco
President & CEO
Pennsylvania Association of Community Bankers